

March 26, 2013

EXHIBIT

DATE

HB

17
3/26/13
616

To: House Business and Labor Committee

Subject: Opposition to HB616

Mr. Chairman and members of the committee, my name is Kelley Christiansen and my husband, Shawn, and I are co-owners of the new Desert Mountain Brewing Company in Columbia Fall. We just opened our brewery on March 8, just two weeks ago.

Desert Mountain Brewing is the second smallest commercial brewery in the state with a 4-barrel (bbl) system. We plan to make between 300-400 bbl this year but in the future, we'd like to make more than that. We'd like to eventually expand and get bigger, buy our own building, build a following, and bring a good, strong business to Columbia Falls. And Columbia Falls is a town that needs all the strong businesses it can get after being hard hit by the recession, and the loss of the Columbia Falls Aluminum Company, and significant cut backs by Plum Creek.

HB616 would severely limit our plans to expand and bring jobs to the community. We'd be forced to stay under the 300 bbl limit. We don't have deep pockets or investors. We put our life savings into this business, every cent. We have a SBA 7a loan that we are required to repay within 10 years. It's just my husband and I, a mom and pop business to the letter. We currently have one employee. Our dreams of expansion and hiring community members will come out of years of hard work and saving our pennies.

Our 4 bbl system is in a room that is 900 square feet. We are planning distribute, but we need to start small and work our way into establishments that cater to people who enjoy craft beer. But it is not possible for us to distribute 60 percent of our beer after we hit the 300-bbl mark. Where would we put a bottling line? Or all the kegs we'd need to distribute 60 percent of our 300-plus bbl of beer? Additionally, it's one thing for a brewery out in the county or a very small town to purchase a liquor license at the cost of a few hundred bucks. There's only one liquor license *possibly* for sale in Columbia Falls and its \$500,000. Plus we are in the brewing business, not the restaurant business, or the liquor and gambling business. Even the proposed \$100,000 special license is a scary thought. The majority of our business will be made in three months during the summer, and we have to ride that through the other nine months.

HB 616 is at its core a job-killing bill. This bill will greatly reduce the likelihood of brewery startups in an already difficult market to start a small business. This bill discourages entrepreneurship. This bill is anti-competitive and anti-small business.

We at Desert Mountain Brewing are committed to providing great benefits for the people who work for us. We want to help our community grow. Instead of voting for HB616, which limits entrepreneurship in Montana, this legislative body should be supporting HJ18 to give us all the time and process needed to develop sound, and well thought out solutions to these issues.

Thank you,
Shawn and Kelley Christensen
Desert Mountain Brewing & Draughthaus
Columbia Falls, Montana

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2. The second part deals with the results of the work during the year and the progress of the work during the year.

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